

**ILLINOIS INVESTMENT POLICY BOARD
COMMITTEE ON ISRAEL BOYCOTT RESTRICTIONS**

Wednesday, February 15, 2017

2:00 PM

Thompson Center
100 W. Randolph, 16th Floor
Chicago, Illinois 60601

MEETING MINUTES

1. Call to Order: The meeting was called to order at 2:03 PM. In attendance were Mitchell Goldberg (Committee chair), Andrew Lappin, William Atwood, and Alicia Oberman. Board Chair Michael Mahoney sent his regrets.
2. Approval of Minutes: By 4-0-0 vote, the minutes of 12/6/2016 committee meeting were approved as written upon motion (by Lappin; seconded by Atwood).
3. Administration Matters: No matters were addressed.
4. Public Comment: None.
5. Business: Chairman Goldberg stated that the committee had received correspondence from counsel for two companies seeking review of their inclusion on the restricted company list: Danske Bank and PGGM. Both companies were informed of the meeting. PGGM attended. Chairman Goldberg recognized Representatives of PGGM. PGGM is a provider of financial services to global pension funds and is based in the Netherlands. In attendance for PGGM were company representatives, Mr. Eloy Lindeijer, Member Executive Committee, Chief Investment Management and Ms. Michele M. Klaasen, General Counsel and Managing Director of Tax, Legal & Regulatory Investment Management, and outside counsel, Ms. Kaitlyn Ferguson, Esq. with the Clifford Chance law firm.

The purpose of PGGM's attendance was to seek the removal of PGGM from the Illinois Investment Policy Board's (IIPB's) List of Companies that Boycott Israel. A presentation was given by Ms. Ferguson, supported by comments from the representatives of PGGM, on behalf of PGGM. Though acknowledging (i) a 2014 divestment of \$9,000,000 from five Israeli banks and (ii) that the review was instigated by a 2004 non-binding Advisory Opinion issued by the International Court of Justice relating to Israeli settlements in territories controlled by Israel, PGGM regarded the Advisory Opinion merely as a catalyst to review risk of positions in Israel, including those banks. Following lengthy engagement with the banks, in 2014 PGGM liquidated some investments in those companies. However, PGGM denied any company policy requiring divestment from Israeli companies generally, irrespective of business of those companies. Further, PGGM denied any political motivation in the decision to liquidate the positions with the five banks.

In support of this, PGGM pointed to increased investment into the Israel market following the divestiture in 2014, including identifying some specific investments. At the time of the liquidation the value of PGGM's exposure to the State of Israel was approximately \$100,000,000. As of the time of the presentation before the Committee the value of that exposure was approximately \$317,000,000.

Counsel for PGGM and PGGM's company representatives addressed several questions of the Committee. Counsel for PGGM volunteered to submit supplemental information detailing its oral presentation relative to the above. Following the presentation and questions, the Chair thanked PGGM's counsel and representatives for their attendance and presentation.

Upon motion (4-0-0), subject to receipt of the supplemental submission of PGGM and execution of a certification of compliance with the Illinois statute of the kind available on the IIPB website, the Committee recommends that the IIPB remove PGGM from the List of Companies that Boycott Israel (by Atwood, seconded by Oberman).

The Committee then discussed the document titled "Restricted Entities List—Boycott Israel", prepared by IW Financial, dated February 1, 2017. A discussion was had regarding the recommendations of IW Financial to remove and add certain companies. Goldberg informed the Committee that no opinion had yet been received from counsel as to Stichting Administratiekantoor Beheer Financiële Intellingen ("NFLI") regarding NFLI's argument that it is not a "company" as defined by the state law. By a unanimous vote (4-0-0) the Committee recommended, with the exception of NFLI (until an opinion is received from counsel), adoption of the list submitted by IW Financial by the IIPB as the List of Companies that Boycott Israel (by Oberman, seconded by Lappin).

6. Other Business: None
7. Next Meeting Date: The committee did not set a definitive meeting date but stated it would be posted with due and timely notice.
8. Adjournment: A motion to adjourn passed unanimously (4-0-0) (by Oberman, seconded by Lappin). The meeting was adjourned at 3:25pm.

These minutes are intended to conform to the requirements of Section 2.02 of the Illinois Open Meetings Act (5 ILCS 120/02).